

13 The Conservative Triumph



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After an energy crisis struck in the 1970s, many began to conserve, and automakers rolled out a series of compact cars. Short fuel supplies led to rationing and forced Americans to wait in long lines for gas.

Learning Objectives

By the end of this chapter, you should be able to:

- Discuss the ways that Nixon's domestic and foreign policies contrasted with the ideology of conservative Republicans.
- Explain how women and minorities fared under Nixon's presidency.
- Explain why Jimmy Carter lost support from both the Religious Right and liberals.

- Discuss the major issues that drove the conservative agenda.
- Explain how Reagan's economic policies differed from those of Carter or Nixon.

American Lives: Jerry Falwell

Televangelist and political activist Jerry Falwell was a leading force behind the drive to wed Christian ideology with conservative politics in the United States. He became a nationally known leader of the so-called **Religious Right** that heavily influenced presidential and other federal elections in the 1970s and 1980s. Most importantly, Falwell formed a political organization, the **Moral Majority**, in 1979 to mobilize Christians behind Republican political candidates. He became a leading spokesperson for the group, which consisted of a number of **political action committees** that raised private funds to influence elections or legislation.

The Moral Majority sought to fuse personal beliefs with political action. It became a force behind the pro-life movement that opposed legal abortion, and it channeled a growing desire among conservatives to bridge the church-state divide by promoting movements for public prayer and opposing the teaching of evolution in the nation's schools. At the height of its political influence, the group claimed more than 4 million members and was extremely important in electing (and reelecting) Ronald Reagan as president.

Falwell and his twin brother were born in Lynchburg, Virginia, in 1933, just as the Great Depression was gripping the nation. After attending Baptist Bible College in Missouri, he returned to Lynchburg, where he founded the Thomas Road Baptist Church. From early in his career, Falwell opposed the civil rights movement and spoke out against the desegregation of Virginia schools. He argued, "The facilities should be separate . . . when God has drawn a line of distinction, we should not attempt to cross that line" (as cited in Himes, 2011, p. 261).

In the 1970s and 1980s, he spoke for a growing number of Americans who worried that the demands of groups like women, gays, and other minorities threatened traditional values like the nuclear family and monogamous heterosexual relationships, as well as the condemnation of homosexuality, pornography, and vice. Falwell's message of Christian activism resonated with many Americans grown weary from more than a decade of turmoil in the struggle over civil rights and the Vietnam War.

His ministry, which drew more than 2,000 worshippers each week, became one of the nation's first megachurches, and he hosted a weekly radio and television program called the Old-Time Gospel Hour. Falwell also founded important conservative educational institutions. The Lynchburg Christian Academy (now Liberty Christian Academy) opened in 1967 as an arm of his ministry, and in 1971 Falwell established Liberty University, which grew to become one of the largest Christian colleges in the nation. Both institutions attracted students by promoting conservative Christian values and teachings.

During the second half of the 1980s, Falwell's popularity and the influence of the Religious Right began to wane. He continued to appear in public as a conservative commentator, and he won a judgment in a libel case after the publisher of Hustler magazine printed a parody of him. However, the Supreme Court, citing the First Amendment, overturned that ruling in 1988. In 1996 the motion picture *The People vs. Larry Flint* dramatized the case.

After the attacks of September 11, 2001, Falwell's statement that the terrorist incident was a judgment on America for "throwing God out of the public square" (as cited in Edsall, 2006, p. 54) drew significant criticism. Although considerably less influential nationally, Falwell's message continued to resonate with conservatives who supported his ministry and the growth of Liberty University. Still active in promoting his vision for America, he died in his office in 2007.



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Baptist minister Jerry Falwell was a leading political force of the Religious Right.

For further thought:

1. How did Jerry Falwell tap into the concerns of many Americans in the 1970s and 1980s?
2. How did the Religious Right help shape American conservatism during these decades?

13.1 Nixon's America

The conservative consensus that supported Falwell's Moral Majority was not yet in place when Richard Nixon assumed the presidency in 1969. He campaigned against Johnson's Great Society and the millions of dollars funneled into government programs. Although many Americans were disillusioned with the Vietnam War and concerned with urban unrest and the growing rights demands of various groups in society, Nixon won by a very small margin.

Once in office, Nixon departed from his campaign rhetoric and advanced the liberal causes of his predecessor in important ways. Many of Nixon's programs and actions angered conservatives in his own Republican Party. However, the Vietnam War was the most pressing concern he faced upon assuming office.

Nixon and Vietnam

Nixon pursued a peace settlement already begun during Johnson's administration. American and North Vietnamese leaders met in Paris to discuss the possibility of ending the hostilities. Though the diplomatic talks had no direct impact on the war, they helped boost Nixon's popularity at home.

Nixon further increased his public approval with his policy of **Vietnamization**. This meant that the United States sought to limit its fighting on the ground by training South Vietnamese forces to wage their own war. The president had inherited a difficult situation, and he determined early in 1969 that there was little possibility of victory. He devised the Vietnamization strategy to ease the U.S. involvement before the almost inevitable collapse of South Vietnam. Nixon announced this policy directly to the American people in a televised address on November 3, 1969, saying:

Good evening, my fellow Americans. Tonight I want to talk to you on a subject of deep concern to all Americans and to many people in all parts of the world—the war in Vietnam. I believe that one of the reasons for the deep division about Vietnam is that many Americans have lost confidence in what their Government has told them about our policy. (as cited in Vilade, 2012, p. 196)

At that point 31,000 Americans had died in the war, and Nixon told the American people that there were just two courses of action. The first was immediate withdrawal. The second was to persist in “our search for peace” and “continued implementation of our plan for Vietnamization.” Nixon concluded by saying, “I have chosen this second course. It is not the easy way. It is the right way” (as cited in Gettleman, 1995, p. 444).

Cambodia and Its Consequences

Vietnamization did little to ease the conflict or the antiwar protests in the United States. In 1970 Nixon ordered troops into Cambodia, a neutral nation on the border of Vietnam. Aiming to cut off supplies to the North, the movement instead destabilized the Cambodian government and began a chain of events that saw the rise of the Communist Khmer Rouge party. During its reign, which lasted until 1979, Cambodians were indiscriminately killed and forced into rural communes.

The Cambodian campaign served to escalate antiwar protests at home. On May 4, 1970, a student protest on the campus of Kent State University in Ohio resulted in the deaths of four students, who were shot by National Guardsmen. Student protests and strikes spread to more than 350 colleges and universities, with the National Guard called in to police 21 campuses. Antiwar sentiment started within the youth culture but soon expanded into the rest of society. Troop morale plummeted as the war dragged on, and public support waned as the mainstream press reported unflattering accounts from the war zone.

In 1971 the *New York Times* began to publish a classified defense department report, the **Pentagon Papers**, which traced U.S. involvement in Vietnam back to the years of World War II and revealed how several presidents misled the American people about involvement in the region. Nixon was so incensed at the report's leak that he created his own team of investigators he called the “plumber squad,” mostly former CIA operatives, to gather information about the government official responsible for sharing the documents with the press, a military analyst named Daniel Ellsberg, and to prevent future leaks. As a result of the revelations in the documents, in 1973 Congress passed the **War Powers Act**, requiring the president to seek congressional approval before committing troops to a foreign conflict.

Christmas Bombing

Meanwhile, a breakdown in the Paris negotiations meant a continuation of conflict. As Nixon increased his resolve to end the war, he reverted to a strategy first used in the mid-1960s. The United States began massive B-52 bombing runs over Vietnam in December 1972, which Nixon called the Christmas bombing. During the runs 20,000 tons of bombs were dropped, but this did little to change the direction of the war—in large part because there were few targets of any real military value (Anderson, 2002). The United States continued to lose troops, 15 of its bombers did not return, and the nation's resolve hardened against the war. The American death toll had nearly doubled in Vietnam after Nixon's announcement of his plans for Vietnamization.

Fall of Saigon

On January 27, 1973, the United States signed the Paris Peace Accords with the North Vietnamese. American negotiators accepted terms that left the South Vietnamese government in control in Saigon, but North Vietnamese troops were allowed to stay in the region. North Vietnam returned all American prisoners of war. It took 2 years for all American troops to pull out, and as the last were leaving in April 1975 the Communist forces marched into Saigon and attacked the U.S. embassy, forcing the final Americans to escape via helicopter. Saigon, which was once the American base of operations, became Ho Chi Minh City, and South Vietnam fell under Communist control.



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The North Vietnamese, seen here in a tank passing through the Presidential Palace in Saigon, placed South Vietnam under Communist control.

Vietnam's Legacy

Though the war is long over, the failure to win in Vietnam continues to shape U.S. foreign policy and public opinion. The losses in Vietnam included the deaths of 1.2 million Vietnamese and 58,000 Americans, at a cost of \$150 billion to the United States. Americans grew weary of the war and disillusioned with their government, and they descended into a collective amnesia about the period.

Revelations such as the Pentagon Papers undermined American trust in the government and forever disabused many of a blind sense of security in Congress and especially the presidency. The Democratic Party's credibility came to be questioned as well, and the fact that Democratic politicians both led the nation into an unwinnable conflict and covered up their motives contributed to a lasting view of the party's inability to govern in national security affairs. Also contributing to this perception was the fact that the antiwar movement ultimately found a home in the Democratic Party.

Vietnam also proved to be a serious financial drain on the American economy. It contributed greatly to an inflationary spiral and an increase in the federal debt. The economic impact strained the United States through much of the 1970s. The war's legacy and the divisions created during the conflict led many to question U.S. involvement in future military actions, always weighing involvement against the unwinnable situation in Vietnam. The use of the draft to fill military ranks also ceased, and thereafter the U.S. military became all-volunteer armed forces. In the end, the war shifted U.S. thinking about foreign policy and led to debate over America's position as the world's police force.

New Federalism and the Welfare State

Nixon's support for some liberal domestic programs emanated from the political climate of his first term. Democrats maintained a majority in Congress, and the Republican Party included a few liberals and many moderates. Nixon also had to act because of serious economic problems. In his inaugural address, he supported the goals of full employment, better housing, educational advancements, urban renewal, and protecting the environment. At the same time, he cautioned, "[W]e are approaching the limits of what government alone can do" (as cited in Mason, 2004, p. 57).

Nixon proposed a form of **New Federalism** that would reform welfare by providing federal block grants for states to spend according to local needs. Initially created under the New Deal, the Aid to Families with Dependent Children (AFDC) program had grown substantially during the 1960s, producing what some called a welfare crisis. The program also came to be associated with African Americans, because a growing number of African American families in poor communities relied on it. Some conservatives in Congress condemned welfare recipients as unwilling to work and accused them of taking advantage of the government.

Ignoring these critics, Nixon proposed a Family Assistance Plan to replace the AFDC and guarantee a minimum income for all Americans while creating a national standard for welfare. Supported in some conservative circles, the plan dovetailed with the consideration of a negative income tax to reward working families at the bottom of the income scale. Nixon aimed to create a climate that incentivized working over receiving welfare payments. If passed, it would have guaranteed an income of \$16,000 for a family of four, but the program failed to win congressional approval (Mason, 2004).

Racial and Social Justice

While on the campaign trail, Nixon appealed to southern Whites and some Democrats by manipulating their opposition to African American equality and civil rights developments. In what was known as the Southern Strategy, he hoped to gain the support of southerners by appearing to support their racism against African Americans. For example, he opposed judicial activism and spoke out against busing students to enact desegregation rulings.

Up to this time, Republicans had received little support among White southerners due largely to the party's historical legacy as a supporter of African American rights during the Reconstruction era. As civil rights gained broad support, the Southern Strategy shifted to become a subtler policy that advocated issues of concern to southerners, such as a "law-and-order" opposition to the youth counterculture and promiscuity.

However, as president, Nixon had to enforce the law. During his first term, the Supreme Court overruled previous delays to implementing school desegregation. Ruling in *Swann v. Charlotte-Mecklenburg Board of Education*, the court held that busing students was the appropriate means to integrate public schools. Finally, nearly 15 years after the *Brown* decision (see Chapter 11), southern states moved to integrate public schools.

Nixon soon found himself at odds with conservatives over racial issues. Although the first use of the term *affirmative action* came in an executive order issued by John F. Kennedy and the idea advanced under Johnson, Nixon supported the most forceful federal **affirmative action** program to increase minority hiring. Proposed by his secretary of labor, George Schultz, the Philadelphia Plan required construction firms contracting with the federal government to consider goals and timetables to increase the hiring of minority workers. It also led to the employment of minority-owned businesses in construction subcontracting.

Although historians suggest that Nixon's support for the plan was a political calculation to divide African Americans and organized labor (two important components of the Democratic Party), it set the stage for future work-related quota systems. Nixon also supported the 1969 creation of the Office of Minority Business Enterprise, a moderately successful program that aided minority owned businesses.

Women's issues also gained attention as the feminist movement continued to expand and demand social change. Nixon opposed abortion and vetoed a comprehensive child development bill that would have created a national day care system, but he signed **Title IX** into law. Part of a larger education bill, it banned the exclusion of women and girls from any aspect of education programs, thus spurring a surge in funding for women's athletic programs at all levels.

Youth gained another benefit under Nixon with the ratification of the **26th Amendment** to the Constitution, lowering the voting age from 21 to 18. The fact that 18-year-olds could be drafted to fight in Vietnam, even though they could not vote, provided momentum for the change. When Ohio's legislature became the deciding vote to ratify the amendment on June 30, 1971, Nixon declared, "For more than 20 years, I have advocated the 18-year-old vote. I heartily congratulate our young citizens on having gained this right" (Nixon, 1971, p. 793).

Other programs more associated with liberal politics also received a boost during Nixon's presidency. Old-age pensions under Social Security, the food stamp program, and low-income housing assistance all grew, and he

supported Congress in enacting a billion-dollar college tuition program under the Pell Grant.

Inflation and Economic Crisis

An economic crisis and energy shortage, underway just as Nixon settled into his presidency, also forced him to intervene in the economy in ways counter to his campaign rhetoric. As the 1970s dawned, American dominance in the world economy began to lag, and it would continue to decline across the decade. Inflation and unemployment both rose above 6% in 1970 while economic growth slowed, creating a condition known as **stagflation**. Manufacturing also declined so that for the first time in more than a century the United States imported more goods than it exported. Foreign nations held more U.S. currency than national gold reserves, effectively meaning that dollars were no longer backed by gold.

Nixon responded by canceling the convertibility of U.S. currency to gold and placing a 90-day freeze on wages and prices in hopes of halting the inflation spike. With a 10% surcharge on imported goods, he aimed to stabilize the trade imbalance. All these measures allowed the government to stimulate the economy without increasing inflation, which generally occurs when consumer demand for products is greater than their supply. Seen as the hero of the moment, Nixon's popularity surged.

Gas Lines and Speed Limits

Skyrocketing energy prices proved to be a crisis Nixon could not control, however, and their relentless rise intensified stagflation. Economic growth after World War II was hugely reliant on an abundance of cheap energy from coal-fired power plants and oil. Domestic production of oil was substantial but could not fulfill the rapidly increasing demand from large automobiles and energy-inefficient construction. However, oil from the Middle East filled the gap so inexpensively that the United States was soon consuming a third of the world's oil and coal resources.

A sharp reduction in that overseas oil supply in the fall of 1973 caught the United States flat footed. Conflict between oil-producing Arab nations and Israel erupted into the brief Yom Kippur War in October, and America's unilateral support for Israel prompted Middle East oil producers to halt U.S. shipments. The embargo lasted through March 1974 and produced lasting impacts on industrialized nations around the world, including movements for energy independence and conservation.

Across America gasoline prices doubled, and shortages meant drivers endured long lines to fill their tanks. Nixon quickly imposed price controls and, in an attempt to increase the fuel efficiency of cars and trucks, replaced state-regulated 65- to 80-mile-per-hour speed limits with a federal 55-mile-per-hour speed limit on highways. In many states gasoline rationing involved an odd-even system; those with license plates ending in an odd number were allowed to purchase gas on odd-numbered days of the month and drivers with even-numbered plates on even-numbered days.

The crisis raised concerns about overall energy conservation and the environment as well. Major auto manufacturers began introducing smaller, more fuel-efficient vehicles, including the Ford Pinto and the Chevrolet Chevette.

Environmental Protection

The energy crisis gave a boost to an already growing environmental movement, and activists gained credibility for their concerns about the effects of industrial pollution on human health. Early in the 20th century, a conservation movement had emphasized the managed use of natural resources and the creation of national parks to preserve spectacular natural places (see Chapter 5). The new environmentalists focused more on the detrimental impact of chemicals and pesticides, as Rachel Carson outlined in her book *Silent Spring* (see Chapter 12). As the movement gained momentum and support in the late 1960s, millions of Americans celebrated the first Earth Day on April 22, 1970.

Nixon responded to activists' calls by creating the **Environmental Protection Agency** in 1970. Announcing the sweeping environmental legislation in his State of the Union address, Nixon declared, "Clean air, clean water, open spaces—these should once again be the birthright of every American" (as cited in Daynes & Sussman, 2010, p. 69). A Clean Air Act followed, inaugurating federal controls over air pollution. Nixon opposed the Clean Water Act of 1972, but Congress overrode his veto and passed it into law.



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Nixon and the World

Crowds gathered around the nation on April 22, 1970, to

Nixon's domestic policies puzzled and angered many conservatives, and although the president regarded foreign affairs as his strength, Republican conservatives also worried that his policies in that realm were too indulgent on major Cold War concerns. Nevertheless, as a Republican he was able to avoid being labeled soft on communism, unlike his Democratic predecessors. Throughout the Cold War, Republicans consistently labeled Democrats as incapable in foreign affairs and especially unable to meet the Communist threat.

celebrate the first Earth Day. This group in New York brought attention to conservation awareness.

Nixon adopted a multipolar philosophy, meaning that he thought the United States should evolve from its bipolar view of the world (i.e., a division between the United States and the Soviet Union) to embrace wider concerns on the world stage at the same time. Nixon did not simply focus on Vietnam during his presidency; there were other relevant actors on the international front, and Nixon wanted to recognize and develop stronger ties with them (Litwak, 1984). One of the most important for him was China.

China

China was the world's most populous nation, but previous U.S. leaders had expressed little interest in establishing political ties or even recognizing the legitimacy of Mao Tse-tung, the president of the People's Republic of China from 1949. Although China was Communist, Nixon and Secretary of State Henry Kissinger hoped it might become an ally in the ongoing disagreements with the Soviet Union. Nixon believed that his own personal presence would go a long way in achieving this goal. He became the first American president to visit China when he met with Mao in February 1972.

As a result of the meeting, the two nations reopened trade, began scientific and cultural exchanges, and established liaison offices in Washington, D.C., and Peking (now Beijing). By 1979 these offices became full-fledged embassies. Nixon promoted his visit as the "week that changed the world" (as cited in MacMillan, 2008, p. xxi). Recent historians concur that it was one of the most significant moments of the modern era (MacMillan, 2008).

Nixon's Cold War

The USSR remained America's principal threat, however. Reprising his China strategy, Nixon reached out to the Soviets by accepting their invitation to a summit. He already had experience in this area, such as his famous Kitchen Debate with Soviet premier Nikita Khrushchev in 1959, and he believed he understood the cultural divide between the two countries. In 1972 Nixon shared a cordial dinner with Soviet Premier Leonid Brezhnev, images of which helped temper the notion that the Soviets were evil enemies and ushered in a new era called **détente**.

The term signified an open relationship and a relaxing of the tension that had characterized the two superpowers' interactions since World War II. Nixon emphasized a new era of negotiation and a goal to control the growing stockpiles of nuclear weapons. Called the Strategic Arms Limitation Talks, the 1972 negotiations resulted in the **Anti-Ballistic Missile Treaty**, which limited antiballistic missiles and other types of missile launchers. Both the United States and the Soviet Union agreed to a limit of 100 antiballistic missiles each. Controlling nuclear weaponry became the centerpiece of Nixon's negotiation tactics, the cornerstone of his efforts at détente, and the main achievement of his first term (Garthoff, 1994).

Technology in America: Communication Satellites and GPS

In 1945 science-fiction writer Arthur C. Clarke published an article with a central question: "Can rocket stations give world-wide radio coverage?" His dream was for human-made satellites to ring the Earth in orbit, but he thought rocket technology would not advance far enough to launch a device into space for several decades. Instead, just 12 years later, the Soviet Union launched Sputnik, the first artificial Earth satellite, and the space race began.

While one aspect of this space race was the development of Apollo, the American space program that took astronauts to the moon, another result was the establishment of a commercial satellite industry. In 1962 Congress passed the Communications Satellite Act and created the American Communications Satellite Corporation, or Comsat, which was owned jointly by several large telecommunications companies. Meanwhile, NASA developed rockets to lift satellites into space, and engineers designed them to carry voice, data, telegraph, facsimile, data, and television transmissions. Delta rockets launched the 85-pound satellites in the 1960s, while a more powerful Atlas-Centaur rocket began launching 1,600-pound satellites in the 1970s and almost 3,000-pound satellites by the 1980s. The increased weight meant vastly improved and enhanced capabilities.

One very important component of these satellites was the ability of a person on Earth to use them to exactly pinpoint his or her position. The Global Positioning System (GPS) began in the early 1970s, with satellite tracking of specific locations on Earth. The system became a key component of international defense and was used to map remote areas of the Earth. Today it has evolved to a personal tool on common smart phones that has the power to essentially locate and identify any person or place on Earth.

For further reading, see:

Dawson, V. P., Bowles, M. D. (2004). *Taming liquid hydrogen: The Centaur upper stage rocket, 1958–2002*. Washington, D.C.: National Aeronautics and Space Administration.

Watergate

Nixon's downfall began with a series of events during the maliciously run 1972 presidential campaign that pitted him against George McGovern, a Democratic senator from South Dakota. McGovern campaigned as an antiwar extreme liberal and enjoyed little support, even within his own party. He had gained the nomination largely because of disarray in the Democratic Party.

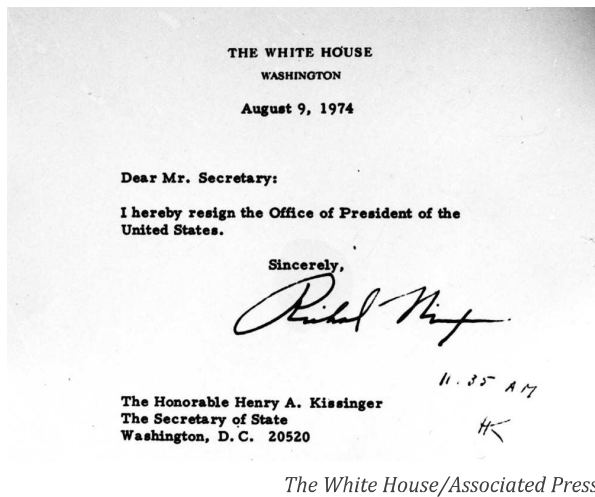
Although in the end Nixon won with a large majority—earning nearly 61% of the popular vote and 520 electors—he pursued a very negative campaign against McGovern. The election was the first in which 18- to 20-year-olds could vote, and the president believed McGovern's antiwar message would resonate with the youth vote. A series of so-called dirty tricks therefore set the tone for the election.

An event illustrating the spiteful campaign tactics occurred as McGovern prepared to address a crowd at a suburban Detroit high school. As the Democratic candidate tried to speak, a group of elementary school children circled the hall, pasting Nixon bumper stickers on the wall and singing "Nixon Now More than Ever." The crowd grew hostile and began shouting at the children, fully disrupting the event (Mason, 2004). It is not clear if the Nixon campaign was behind the incident, but rumors placed it among one of the campaign's antics. Democrats decried this and other despicable tactics, but it was the Watergate burglary that brought a criminal element into the presidential contest.

On June 17, 1972, five men broke into the Democratic National Committee's office in the Watergate Hotel and office building in Washington, D.C., apparently looking for information that might help Nixon win the election. One of the men, James McCord, was a member of the Committee for the Re-Election of the President (CREEP), and the others were operatives from Nixon's plumber squad who undertook illegal or unethical actions in support of Nixon. Nixon disavowed any ties to the incident, but two *Washington Post* reporters, Bob Woodward and Carl Bernstein, investigated and began publishing stories that clearly showed individuals close to the president ordered the break-in and helped cover it up.

During a trial of the Watergate conspirators in January 1973, CREEP security director McCord and another operative were convicted of conspiracy, burglary, and wiretapping. In a letter to the trial judge in March, McCord revealed illegal wiretapping activities conducted by White House advisor John Ehrlichman, Chief of Staff H. R. Haldeman, and Attorney General Richard Kleindienst.

The most highly implicated member of the president's circle was former Nixon attorney general John Mitchell, who had resigned in 1972 to manage Nixon's reelection campaign and also served as the director of CREEP. In the wake of McCord's accusations, members of Nixon's staff began resigning their positions. But investigators and the American people still wondered how far up the chain of command these illegal activities extended.



Rather than face impeachment, Nixon chose to resign on August 9, 1974.

Congress convened a Senate Select Committee on Presidential Campaign Activities, and by May 1973 the televised investigation of the Watergate conspiracy transfixed the nation. Among the most damning evidence was testimony from John Dean, Nixon's White House counsel, who clearly implicated the president in the Watergate cover-up. Apparently, the president recorded all Oval Office conversations, and the Senate investigators sought them out as evidence.

Knowing the tapes would clearly incriminate him in the scandal, and to prevent their release, Nixon claimed executive privilege as his reason for not revealing their existence. After a yearlong Supreme Court battle, the justices ruled in 1974 that Nixon had to release the tapes. Upon listening to the tapes, investigators discovered that someone had erased 18 key minutes from one of them.

Nevertheless, the material remaining on the tapes revealed that Nixon was corrupt and had manipulated the CIA, FBI, Pentagon, and even his own Secret Service detail (Woodward & Bernstein, 2005). The House Judiciary Committee voted several days later to recommend the impeachment of Nixon for obstruction of justice. On August 9, 1974, before Congress met to vote on the impeachment, Nixon resigned from office.

As a result of the scandal, many Americans lost faith and trust in career politicians, and to some degree all elected officials. The Republican Party in particular suffered from distrust and a lack of support in subsequent elections, and the nation began to look toward candidates labeled as political outsiders, with little Washington experience. Along with seriously damaging the nation's psyche, the term *Watergate* also entered into the American lexicon. Today anytime a political or celebrity scandal makes news, reporters often give it a name with the suffix *-gate* (Safire, 2008).

13.2 A Decade of Discontent

After the Watergate affair, a series of Senate hearings convened to consider the potential constitutional crisis created when Nixon lied and misused executive privilege. Headed by Idaho senator Frank Church, they revealed a long history of government misuse of domestic intelligence. The Church Committee uncovered evidence that since the beginning of the Cold War, the FBI and CIA had spied on millions of Americans as well as foreign nationals. It uncovered attempts to assassinate Fidel Castro and other foreign leaders, as well as a government attempt to halt the civil rights movement.

In the wake of the revelations, Congress formed permanent oversight committees to oversee intelligence agencies, but Americans nevertheless grew ever more cynical about their government. The discontent only grew as a new and inexperienced president faced a series of economic problems, including rising unemployment, continuing trade imbalances, and climbing energy prices.

Ford, the Unelected President

Gerald R. Ford is the only man to serve as both vice president and president without being elected by the Electoral College. A year before Nixon's resignation, a grand jury had indicted Vice President Spiro Agnew for income tax fraud resulting from receiving inappropriate gifts; he later pleaded no contest, accepting the charge but not admitting guilt. In the wake of the scandal, the vice president resigned on October 10, 1973. For the first time, Congress implemented the vice president replacement clause of the 25th Amendment, nominating a replacement for Agnew. Ford, a Republican representative from Michigan and minority leader of the House of Representatives, was confirmed by a vote of both houses of Congress and took Agnew's place on December 6.

When Nixon left office, Ford assumed the presidency. He served a short 30-month term in which he tried to restore dignity to the office, proclaiming that the "long national nightmare is over." He also cautioned that "I am a Ford, not a Lincoln . . . I promise my fellow citizens only this: to uphold the Constitution . . . to do the very best I can for America" (as cited in Brinkley, 2007, p. 53).

The main question Ford faced was to address the ongoing criminal charges against the former president. Hoping to put the matter firmly in the past and concerned about Nixon's ailing health, Ford issued a presidential pardon, saving him from indictment and trial. Although Ford assured the American people that he had not made any special deals to gain office (Updegrave, 2008), in the wake of the Nixon pardon, many questioned that claim.



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Gerald Ford (right) became the 38th president following Nixon's resignation in August 1974. During his short presidency he maintained most of Nixon's cabinet, including Secretary of State Henry Kissinger (left).

Carter and Economic Crisis

The 1976 election pitted the Republican incumbent president Ford against the Democratic former governor of Georgia, Jimmy Carter. Carter effectively positioned himself as the voice of change by criticizing the Republican Party for its failings in Watergate and by pointing out the Ford administration's lingering ties to it. He spoke with a soft southern accent, wore cardigan sweaters, and used plain language in his speeches. Carter's earthy qualities appealed to American voters, and he won the election with his emphasis on his born-again Christian lifestyle, a promise of nuclear disarmament, and most of all, a commitment to truth in government (Morris, 1997).

The election was also the first to operate under rules set by the **Federal Election Campaign Act** of 1974. Aiming to protect against the abuses revealed in the Watergate scandal, Congress created public financing of presidential campaigns to reduce the exchange of campaign donations for political favors. The act also established the Federal Election Commission as an independent regulatory agency.

Candidates found ways around restrictions, though. Many donors formed political action committees to funnel money to candidates and issues. In *Buckley v. Valeo* in January 1976, the Supreme Court also ruled that restricting campaign spending restricted free speech, allowing corporations, labor unions, and interest groups to funnel money to particular candidates.

As a Washington outsider, Carter appeared to be above much of the usual political wrangling. Initially, Carter's persona was endearing to the American public. He delivered his first nationally televised fireside chat in front of a real fire, wearing his trademark cardigan sweater to symbolize how he was conserving energy and lowering the White House heating bills. Using a tone unlike any president in known memory, he told the nation, "Tonight I want to have an unpleasant talk with you about a problem unprecedented in our history. . . . The energy crisis has not yet overwhelmed us, but it will do if we not act quickly" (as cited in Leuchtenburg, 2001, p. 199).

His election elated advocates of evangelical Christianity, including Jerry Falwell's supporters. Carter's openness about his Christian beliefs did much to bring religion to the forefront of American politics, but the Religious Right was soon disappointed. Carter's personal beliefs did not invade his political decisions and positions. He did not denounce the Democratic Party's pro-choice stance on abortion, for example, and did not act to bridge the long-standing divide between church and state. Those looking for a candidate willing to enact their moral agenda would not support Carter for reelection in 1980.



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Capitalizing on his folksy persona, President Jimmy Carter delivered fireside chats to the nation in front of a White House fireplace. He often wore an informal cardigan rather than a traditional business suit.

While the Religious Right believed Carter was too permissive on social issues, liberals condemned him for his conservative economic policies. Double-digit inflation continued to plague the nation, and instead of supporting programs to restart the Great Society, Carter's plan to curb climbing prices and wage stagnation involved the deregulation of major industries, including telecommunications, airlines, and railroads. Taking a hands-off approach, Carter believed, would let the market provide improved services and lower prices. The policy initially eased the economic crisis, and unemployment fell from 7.5% to 5.6% by May 1979. The energy crisis that escalated in 1979 reversed the upward trend, however.

Carter's rescue of the failing Chrysler Corporation in 1979 illustrates the impact of policies when he did intervene. In this case his action drew the ire of organized labor and decreased the buying power of the working class.

Chrysler's outmoded auto plants had led the automaker to fall behind the Japanese in both production and design, and it was standing at the brink of bankruptcy. Lee Iacocca, the automaker's CEO, sought a federal bailout in the form of a billion-dollar government loan guarantee. In exchange for the loans, federal officials demanded that Chrysler's unionized workers accept wage cuts and other concessions. At the end of the bailout, Chrysler made record profits, but the wage rollbacks remained in place. It marked the first of many wage concessions that eventually affected nearly every unionized industry.

Carter drew more anger from the left with his appointment of conservative Wall Street banker Paul Volcker to head the Federal Reserve. Volcker opposed an infusion of government spending like those that had helped the nation overcome previous economic downturns, and instead pursued a policy of **monetarism**, which reduced the money supply and allowed interest rates to rise. The policy eventually reduced inflation, but by the early 1980s interest rates were as high as 20%.

The cost of durable goods such as cars and trucks continued to rise, and the high interest rates made it even harder for many Americans to make large purchases. The value of the dollar overseas rose, reducing profits on exports. A major restructuring of American manufacturing followed, leading to plant closings and layoffs, especially in midwestern "rustbelt" states where steel, rubber, and electronic production once ruled. The process was impossible to stop once underway, and by 1982 the unemployment rate topped 11% (Stein, 2010). Carter

can hardly bear the sole blame for the economic troubles, however; his successor, Ronald Reagan, who took office in 1980, reappointed Volcker to chair the Federal Reserve.

13.3 Conservatism Ascendant

The rise of a popular conservatism engaged more than just the evangelicals who made up the Religious Right. Major events of the 1970s, including the Vietnam War, the energy crisis, and the Iranian hostage crisis, prompted a general sense of alienation and distrust of government. Believing that their voices counted for little, some Americans withdrew from the electoral process. Voter turnout decreased from above 60% in the 1940s, 1950s, and 1960s to around 50% in the 1980s (see Table 13.1).

This was especially true of the working class, the working poor, and those with less than a high school education. Many working-class Americans, once the backbone of the Democratic Party, came to view electoral politics as ineffective and having little impact on their lives. As they disappeared from the electoral rolls, college graduates and the more affluent helped shift politics toward the right.

Table 13.1: Shrinking voter turnout

Turnout in national elections	Percentage of eligible voters
1940	62.5
1952	63.8
1960	62.8
1964	61.9
1968	60.9
1972	55.2
1976	53.6
1980	52.8
1984	53.1
1988	50.2

Source: Teixeira, 1992.

The New Right that emerged differed from the older brand of conservatism, which had focused on an overactive federal government and Communist infiltration. New Right leaders, including Jerry Falwell, George Will, and Supreme Court Chief Justice William Rehnquist, believed that American values and institutions were in jeopardy. Secularization confronted Christianity, while alternative families headed by women challenged the father-centered nuclear family unit, and those who had protested the Vietnam War continued to question what it meant to be a patriotic American.

The New Right was also concerned with issues of abortion, pornography, and school prayer, and many rallied vocally in opposition to the Equal Rights Amendment (see below). In responding to many of these issues, the New Right aimed to mobilize political movements against feminist ideas, abortion, secular culture, and government social programs. Their campaigns against these threats attracted new adherents, including southern Whites, Catholics, and some blue-collar workers. The movement, strengthened by a series of political struggles that gripped the nation, gained momentum as the 1980 election neared.

The Iranian Crisis

Around the same time, in 1979 a revolution in Iran overthrew the shah of Iran’s U.S.-supported government and replaced him with the Ayatollah Khomeini, a religious cleric whose theocratic policies were in stark opposition to the shah’s Westernized ones. In 1953, during Eisenhower’s presidency, the United States supported the installation of the shah, believing he would respond with sympathy to the needs of America and the Western world. Through CIA operatives, the

United States supplied the Shah with weapons and helped train his secret police. For those who opposed the shah and his policies, the American embassy and U.S. citizens seemed to be legitimate targets for attack.

On November 4, 1979, militants attacked the U.S. embassy in the Iranian capital of Tehran, capturing 66 Americans who worked there. Fourteen hostages, including women, African American men, and an ill White man were released, leaving 52 to endure long-term captivity. Over the course of the next 444 days, American politicians struggled to secure the hostages' release. Among the demands of the Iranians was the return of the shah—who was at that time in the United States seeking medical treatment for terminal cancer—to face justice in Iran, and an apology from the United States for its involvement in Iran, including the installation of the shah. Carter and his advisors were not willing to concede to any of these demands.



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On the first day of their captivity during the Iran hostage crisis, the American hostages were blindfolded and paraded around by their captors.

Nightline, a new type of specialized television news program hosted by Ted Koppel, began broadcasting four days into the crisis and helped direct the nation's focus each night to events that had transpired in Iran the previous day. Over the course of the long ordeal, the American people began a tradition of hanging yellow ribbons as a reminder of the hostages, and as time went on the ribbons began to symbolize Carter's inability to return them (Farber, 2004).

His efforts included a failed rescue attempt code-named Operation Eagle Claw, which resulted in eight American deaths and the loss of expensive aircraft. Five helicopters attempted the rescue, but a miscalculation of fuel consumption resulted in disaster. Finally, a resolution came on January 19, 1981, with the signing of the Algiers Accords; 2 days later, literally minutes after Carter left office, the Iranian militants released all the hostages.

Tax Revolts and School Busing

While events in Iran attracted daily national attention, on the domestic front conflicts also multiplied. Southern school desegregation was largely an accomplished fact by the 1970s, even though racial antipathy was never completely erased in the region. In northern cities, however, segregated schools persisted due to the separation of African Americans and Whites into different neighborhoods.

A movement to increase the racial and ethnic diversity of urban schools in the North resulted in court-ordered desegregation and led to tension as parents and communities fought the forced busing of students to schools outside their neighborhood. Desegregation through busing often benefited African American students, who gained opportunities to study at resource-rich schools in White working-class neighborhoods. White working-class families protested loudly, helping push more to support the New Right.

The most virulent opposition to busing took place in Boston school districts. In 1975, after a long legal struggle, a federal district judge ordered the mandatory busing of students from the African American Roxbury neighborhood to South Boston. When African American students tried to integrate the largely White schools, they faced angry residents, screaming, and threats of violence. During the first year, racial tensions escalated. Many staged boycotts or kept their children home out of fear of violence. Unrest spread so that anyone of color might face attack. A Haitian maintenance man on his way to pick his wife up from work was pulled from his car and severely beaten and kicked. The attack ended only when a policeman fired his weapon into the air (Formisano, 2004).

Even White residents who tried to comply with the desegregation order faced derision. One White mother of three students wrote to Judge W. A. Garrity, who had ordered desegregation, "I'm terrified 24 hours a day," and "living in a nightmare." Reminding the judge that children's lives were being deeply affected, she went on to observe, "I never thought a lot of people I see in church so often were so unchristian like, it truly hurts, and makes the job of being a parent so much harder" (as cited in Formisano, 2004, p. ix). To avoid integration, nearly 20,000 White students left Boston public schools, with many White families fleeing to the suburbs. The Boston

neighborhoods they left refilled with largely African American and Latino residents, making integration untenable.

Conservative ideology also fed a series of tax revolts in which citizens sought relief from high tax burdens and to defund what many viewed as wasteful government spending on education, welfare, and other social programs. One of the earliest examples was in California, where homeowners facing rapidly rising property taxes and the decade's double-digit inflation mobilized to limit property taxes and at the same time to deeply cut government spending. Proposition 13, also known as the People's Initiative to Limit Property Taxation, passed in 1978. It relieved property owners of onerous tax burdens and restricted the ability of the legislature to make more than a 2% increase in a homeowner's property taxes each year.

Proposition 13 inspired antitax campaigns in multiple states. Although those who supported tax reforms rarely opposed specific government-funded agencies or programs, more and more began to view themselves as self-interested taxpayers who needed to keep a watchful eye on government spending (O'Sullivan, Sexton, & Sheffrin, 1995).

Feminist Politics and the Abortion Debate

In addition, this time period also saw a large number of new conservatives become engaged with moral and cultural questions regarding the role of women in society and the status of homosexuals. A series of important issues drove the New Right agenda on issues of gender, including abortion, the Equal Rights Amendment, and the growing movement for gay and lesbian rights.

The issue of abortion came to the forefront in 1973 with the Supreme Court ruling in **Roe v. Wade**, which supported the feminist position that government prohibitions against medical abortion both violated a woman's right to privacy and were unenforceable. Feminism and abortion became linked in the minds of antiabortion forces across the country, even though most women who sought the medical procedure were not feminists.

Catholics, evangelical Protestants, and other New Right activists organized demonstrations, picketing outside abortion clinics and risking arrest to brand the procedure and the doctors who performed it as immoral. This antiabortion movement faced an equally determined pro-choice pushback from those who argued that a woman's right to choose an abortion was private and not the business of the government.

With support from the National Organization for Women and other feminist groups and their allies, the **Equal Rights Amendment (ERA)** to the Constitution, which passed both houses of Congress in 1972, became another almost constant source of controversy through the 1970s. First proposed by women's rights activists in the 1920s, it stated simply, "Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex" (as cited in Epstein & Walk, 2012, p. 653). It supported the

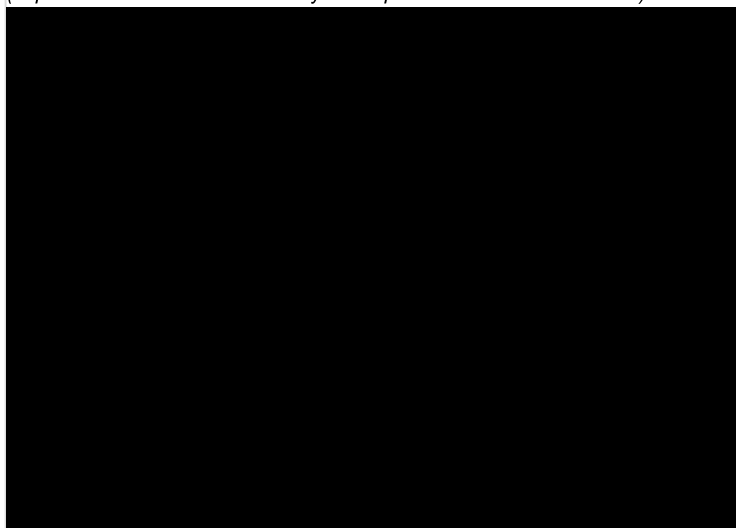
Exploring History through Film: The Equal Rights Amendment

In postwar America, women had political rights, but were still the subject of sexism and discrimination on the basis of their sex, despite the 1964 Civil Rights Act. The Equal Rights Amendment attempted to address sex-based inequality. The ERA failed to receive ratification by the required 3/4 of states, falling victim to the conservative reaction to feminism in the late 1970s.

Equal Rights Amendment

From Title: *Issues and Controversies in American History V...*

(<https://fod.infobase.com/PortalPlaylists.aspx?wID=100753&xtid=49105>)



Critical Thinking Questions

- Review the arguments against the ERA. What do these arguments tell us about concerns related to traditional gender roles? How did these concerns help lay the groundwork for the Reagan Revolution?

new social and economic roles that women were rapidly assuming and guaranteed their equal access at all levels of society. Male-dominated institutions, including colleges, military academies, and federal- and state-supported agencies, would have to open their doors to women.

Feminist groups such as NOW made ratification a top priority but also realized that supporters would need more time to gain support for full equality of the sexes. At its 1978 annual meeting, the group circulated a document that declared “a State of Emergency for the National Organization for Women in which we turn all our resources to the ratification effort and to extension of the deadline for ratification an additional seven years” (as cited in Keetley & Pettegrew, 2002, p. 258).

Although many Republicans had once supported the ERA, New Right conservatives fought back with a vengeance. A countermovement headed by conservative leaders, including Phyllis Schlafly and Jerry Falwell, mobilized the opposition. Combining the assault against both *Roe* and the ERA, New Right antifeminists argued that both threatened the traditional family, and especially housewives.

Schlafly argued that the ERA would lead to unisex toilets and pregnant women in military combat. She and a growing number of conservatives came to view the ERA as a fundamental rejection of women’s traditional roles and an attempt to allow government intervention in the family. Somewhat hypocritically, the same conservatives supported legal restrictions on abortion based on the same assumption that it distorted the traditional family (Wolbrecht, 2010).

Gay Pride and the AIDS Crisis



© Roger Ressmeyer/Corbis

Marchers in the 1977 Gay Freedom Day parade hold a sign protesting Anita Bryant's antigay campaign.

The surge of gay pride and homosexual activism following the 1969 Stonewall Riots (see Chapter 12) offered another source of controversy. In many urban areas gays and lesbians built a distinct counterculture and openly expressed their sexual orientation. Gay and lesbian bars, newspapers, magazines, and political and social groups provided platforms for public expression. Gays became important voting blocs in some cities, and books and movies began to reveal their rich and important contributions to American life. A movement to end discrimination on the basis of sexual orientation gained ground, horrifying many evangelical Christians. In 1973 the American Psychological Association declassified homosexuality as a mental disorder.

Unimpressed, members of the New Right lashed out at so-called homosexual perversion. In 1977 singer and former Miss America runner-up Anita Bryant joined the Religious Right’s condemnation of homosexuality when she spoke out against a local ordinance in Florida that barred discrimination based on sexual preference. She publicly denounced homosexuals’ claim to minority group status and warned against allowing gays to teach children lest their “depravity” engulf their pupils. Expressing the belief of many conservatives, Bryant portrayed the gay lifestyle as a choice: “Homosexuals, unlike Jews and blacks, choose their status, have not been persecuted or enslaved, and are set apart by their behavior rather than their ethnic heritage” (as cited in Kalman, 2010, p. 257).

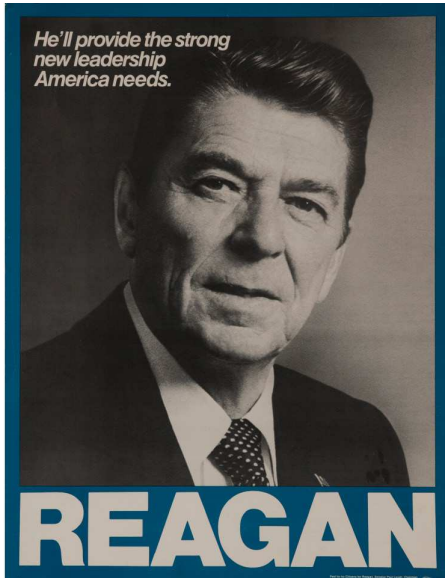
But gays and lesbians were persecuted, and the hostility against them intensified when acquired immune deficiency syndrome (AIDS) began to spread rapidly through large urban communities of male homosexuals. The disease emerged around 1980, and within 10 years more than 100,000 Americans had died and more than 2 million were infected with the human immunodeficiency virus (HIV) that causes AIDS.

Although AIDS afflicted both gay and straight Americans, many (not just the New Right) viewed the suffering as moral judgment on gays. Moral Majority leader Jerry Falwell went so far as to describe AIDS as “the wrath of God upon homosexuals” (as cited in Smith, 2014, p. 53). Homophobia swept the nation, leading to an increase in physical assaults. Before long, the AIDS virus spread more widely, first among intravenous drug users and then

to the heterosexual community. Economic resources poured into AIDS research, and by the mid-1990s new medications and more moderate sexual behavior brought the disease under control and limited the numbers of new infections.

13.4 The Reagan Era

The election of Ronald Reagan in 1980 marked a new era in American politics. Facing the increasingly unpopular incumbent Democrat Jimmy Carter, Reagan won nearly 51% of the popular vote and took 489 electoral votes to Carter's 49. An actor turned politician, Reagan began his political career as a Democrat but moved toward a more conservative stance in the 1950s, even campaigning for Republican candidate Barry Goldwater in 1964. As California governor from 1967 to 1975, Reagan proved to be a controversial figure who supported the repression of student protests and the Black Panthers but signed a state bill to legalize abortion long before *Roe v. Wade*.



© David Pollack/Corbis

During his presidential campaign Ronald Reagan often asked Americans if they were better off than they were 4 years ago.

Reagan's presidency saw the advance of a more rigid and ideological conservatism in the Republican Party, and, at least initially, he earned wide support from voters of both parties. At 69 he was the oldest person ever elected president. Full of energy and inspiration, he wrote much of his own inaugural address, and one of the lines that resonated most with the people was the former actor's assertion, "In this present crisis, government is not the solution to our problems. Government is the problem" (as cited in Schlesinger, 2008, p. 314).

He thus echoed the enduring mistrust from Watergate, and clearly many shared Reagan's view that government was impeding progress. His plan aimed especially at attacking unnecessary government regulation and reforming the welfare state to make individuals more responsible for their own behavior.

Reagan and his vice president, George H. W. Bush, were ready to restore the public's trust. But an unexpected challenge stood in the way when, just 69 days into Reagan's presidency, John Hinckley Jr. waited in the shadows outside the Washington Hilton Hotel. Obsessed with actor Jodie Foster, Hinckley believed that shooting the president would make him a public figure and gain her attention. When Reagan emerged with his press secretary, James Brady, Hinckley produced a gun and began shooting. He

missed the president's heart by less than an inch and seriously wounded Brady and two others. Hinckley was found not guilty by reason of insanity and confined to a Washington area mental health hospital.

With his life on the line, Reagan maintained his charismatic strength. As physicians wheeled him into the operating room to repair the damage caused by the bullet puncturing his lung, he told the chief surgeon, "I hope you're a Republican." The surgeon, who was actually a Democrat, said, "Today, Mr. President, we're all Republicans" (as cited in Kessler, 2009, p. 110).

The president emerged from the crisis immensely popular with the American public and enjoyed an increase in power and support for his agenda. Brady, who was left permanently disabled, spent the remainder of his life campaigning in favor of gun control. In 1993 the Brady Handgun Violence Prevention Act mandated federal background checks on handgun purchases taking place in the United States.

Reaganomics

Reagan took advantage of the economic recession and international crises of the Carter years to offer his own alternative vision for the country. During his campaign he regularly asked Americans, "Are you better off now than you were four years ago?" (as cited in Bennett, 2013, p. 38).

He openly supported the New Right positions on abortion and school prayer, but his own active agenda focused elsewhere. With the exception of appointing Edwin Meese to form a commission investigating pornography, he took up none of the causes of concern to the Religious Right. His domestic policies also ignored the growing AIDS crisis, although the disease spread rapidly throughout the 1980s. Reagan emphasized pre-Great Depression conservative issues such as taxation and reducing government intervention in economic matters. As a former movie star, he appealed to many with his good sense of humor and skilled appearance on camera.

Reagan's domestic agenda began with his economic vision, called **Reaganomics**, or supply-side economics. He believed that the wealthiest Americans were taxed too heavily, and that this was hurting everyone by starving the economy of investment. He proposed reducing taxes, which in theory would enable wealthier Americans to reinvest in the economy and in turn create jobs for the less well-off. This was often called a trickle-down theory because, the thinking went, prosperity would literally flow from the top to the bottom of the American economic ladder.

Regan began with the Economic Recovery Tax Act of 1981, which lowered the tax rate on capital gains and income from 28% to 20%, lowered the highest tax bracket from 70% to 50%, and cut personal income taxes by 25%. It was the largest tax cut in American history, and *Newsweek* magazine called it a "second New Deal potentially as profound in its import as the first was a half century ago" (as cited in Edwards, 2004, p. 93). The tax cuts were implemented partly to curb the effects of a new recession that plagued the United States between 1981 and 1982. Contraction of the money supply by the Federal Reserve aimed to curb rampant inflation but also resulted in high unemployment, which approached 11% in November and December 1982.

The Reagan years saw the introduction of other important tax legislation to implement the president's supply-side policies and stabilize the economy. The Tax Equity and Fiscal Responsibility Act of 1982 and the Deficit Reduction Act of 1984 sought to ease the ongoing recession by leaving existing tax rates in place but adjusting rates and penalties on some types of investments by individuals and corporations. The Tax Reform Act of 1986 further restructured and simplified the tax code by removing some deductions and loopholes but also lowering nominal tax rates for top earners and raising taxes on the poorest earners. Under this law the top income tax rate lowered significantly from 50% to 28%, while those at the bottom faced an increase from 11% to 15%.

Reaganomics also included major spending cuts on social services and humanities programs. Some favorite liberal programs such as Public Broadcasting and the National Endowment for the Arts and Humanities suffered during the 1980s.

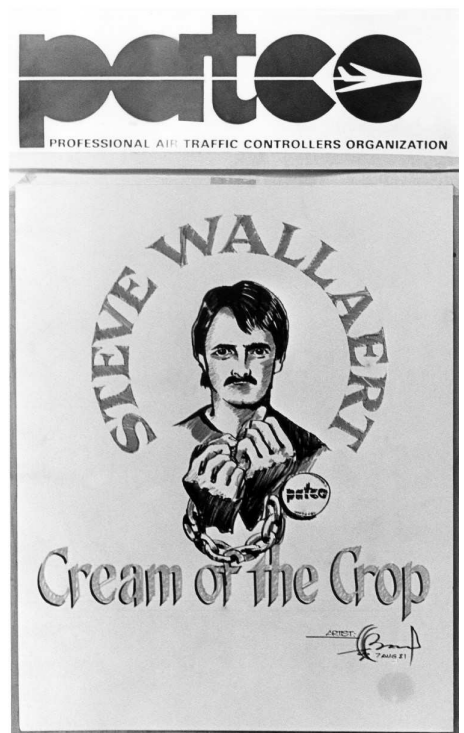
However, the overall budget reductions did not last, because Reagan also authorized billions of dollars in increased governmental spending, causing the federal debt to grow larger than at any other time in history. He focused spending increases on the Department of Defense, including the Strategic Defense Initiative (Star Wars) to protect against nuclear attack. Under his watch, defense spending reached 6% of the gross domestic product, meaning defense spending accounted for a significant amount of the nation's productivity.

The Labor Movement Under Assault

Reaganomics was detrimental to organized labor and American manufacturing employment. Although union membership began to decline in the 1970s, during that decade 1 in 4 American workers still enjoyed the benefits of collective bargaining. During Reagan's presidency union membership dropped substantially, so that unions protected just 18% of private sector workers by 1985. Reduced membership weakened unions' bargaining power and labor leaders strove fearfully to protect meager benefits and wages, making strikes almost nonexistent.

The restructuring of the industrial economy was a large reason for the decline in organized labor. Seeking higher profits and lower wages, many firms closed plants in the United States and moved operations to Mexico and other developing nations where workers received little pay and there were fewer safety and environmental restrictions.

A series of plant closings resulting from corporate mergers also affected many heavily unionized industries. International competition from the Japanese and out-of-date technology forced layoffs in the steel industry. The United Steelworkers, once more than 200,000 strong at U.S. Steel Corporation alone, fell to a mere 20,000 unionized workers at a reorganized USX Corporation in 1986 (Warren, 2010). As the Japanese gained important ground in automaking, capturing one fourth of the U.S. car market by 1978, more than a half million auto workers lost jobs in



Associated Press

northern states such as Michigan and Ohio. Ford, Chrysler, and General Motors closed old factories and opened nonunion auto plants in southern right-to-work states or in Mexico (Perrucci & Perrucci, 2009).

Reagan's economic policies fostered the flight of industrial jobs, but in the public sector he was personally responsible for a decline in union protection. When 13,000 unionized federal air traffic controllers went on strike in 1981, Reagan threatened to fire them unless they called off what he believed to be an illegal labor action. The 11,345 members of the Professional Air Traffic Controllers Organization (PATCO) who remained on strike found themselves out of a job, and Reagan's confrontation with these federal workers undermined the bargaining power of American workers and labor unions overall.

Without the power to strike, unions held no power to bargain. By breaking their union, Reagan showed his tough side and moved the Republican Party even further to the right. Future party leaders invoked Reagan's one-time action in support of their opposition to both private and public sector unionism (McCartin, 2011).

The "Reagan Recession"

Part of the reasoning for breaking the PATCO strike was the overall impact of the so-called Reagan recession affecting the nation between 1981 and 1982. During this period, there was more unemployment in the United States than at any time since the Great Depression. The situation, including rising government debt and increasing inequality between rich and poor, became so bleak that many political commentators expected Reagan to be another one-term president (Troy, 2005). Reagan blamed the Carter administration, stating:

Yes, we're in a recession. Our administration is a cleanup crew for those who went on a non-stop binge and left the tab for us to pick up. The recession hurts. It causes pain. But we'll work our way out of it. (as cited in Cannon, 2000, p. 231)

Though Reagan used the binge metaphor to blame his predecessor nine times in different public speeches in 1982, he ignored the strong temporary surge in the economy in 1981, thereby making the downturn more than just a hangover from the previous administration. Conservative economists pointed out that this was not a "Reagan recession," because the rest of the world suffered as well and the country was already headed toward a recession regardless of the Reagan tax and budget cuts (Hayward, 2009). It was a complicated economic time, but the reality was that millions of Americans suffered, and many blamed it on Reaganomics.

The recession exacerbated problems in the banking industry, and especially among savings and loan (S&L) institutions. These savings institutions accepted deposits and historically provided housing construction loans for working-class families. The Economic Recovery Tax Act of 1981, however, relaxed investment rules and led to substantial speculation in construction and real estate markets, and government oversight of the S&L industry was lax due to both federal and state deregulation encouraged under Reaganomics.

Some S&Ls also began financing more risky ventures, including casinos and ski resorts, and even began investing in junk bonds instead of brick-and-mortar projects. Between 1980 and 1983 some 118 S&Ls failed, and the FDIC spent more than \$3 billion to repay insured depositors. The crisis continued even beyond the recession and shook consumer confidence in financial institutions.

The Election of 1984

Reagan's supply-side economic programs lowered taxes on the wealthy and were supposed to stimulate economic growth, but defense spending created huge federal deficits that usurped any growth in revenue. Despite racking up a federal deficit of \$2.7 trillion, Reagan remained popular with voters. He took credit for economic expansion even though unemployment hovered at 7.5%.

His Democratic challenger, Walter Mondale, ran on a liberal agenda of freezing nuclear weapons and ratifying the ERA. His campaign was most notable for his choice of Geraldine Ferraro, a New York representative, as the first female vice presidential candidate in a major political party. The ticket did not resonate with voters, however; in one of the most lopsided elections in history, Reagan carried all states but Montana, Mondale's home state. It seemed Reagan had a mandate to continue his agenda.

Steve Wallaert, a striking PATCO member from Virginia, was jailed for 60 days for contempt of court. PATCO commissioned this T-shirt design to show support for Wallaert.

Black Monday

The probusiness climate of the 1980s led many to invest in the stock market as a quick and sure path to wealth. Lehman Brothers, a global financial services firm, began offering a money management camp for youth ages 10 to 15; parents could pay \$500 for their children to learn wealth management strategies. Even the *New York Times* seemed blasé about the soaring economic gains when an August 1987 issue reported, “The Dow gained, ho hum, another 22.17 points as Wall Street marked the fifth birthday of the bull market.. . . ‘Another day, another 22,’ one jaded dealer said” (Business Digest, 1987).

Many wise investors, including Nebraska billionaire Warren Buffett, got out of the market entirely because stocks were overvalued and certain to fall eventually. Few heeded his advice, and they soon regretted not listening to the “Oracle of Omaha,” as Buffett was popularly known. The free-flowing money ran dry on **Black Monday**, October 19, 1987. That day the stock market crashed in a way that reminded many of the Great Crash of 1929.

Just prior to Black Monday, the Dow Jones Industrial Average decreased by more than 100 points for the first time ever, falling to 2304.04. Then, on Black Monday, it lost 508 points, or nearly 23% of its value. Reagan’s response to reporters was dismissive, saying, “the underlying economy remains sound” (as cited in J. Martin, 2001, p. 177), which many thought was reminiscent of Herbert Hoover’s reactions to the stock market crash in 1929. In this case, though, the nation did not slip into a depression. Following the crash, new regulations known as circuit breakers stopped future crises by temporarily halting trading in the face of unusual price declines. This prevented future market collapse but did little to help the millions who lost their investments in 1987.

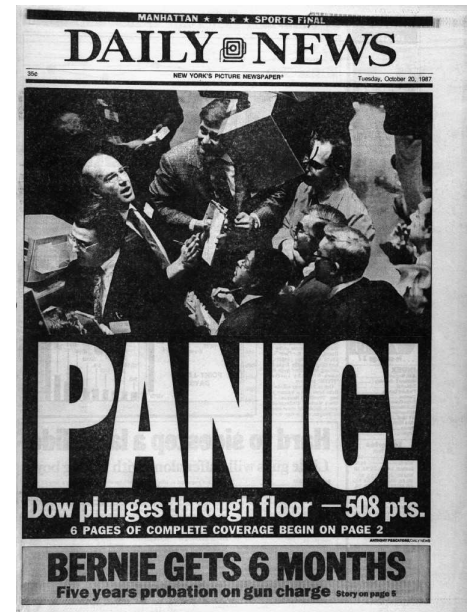
Homeless in Paradise

While some Americans enjoyed tax breaks and the fruits of capitalism, a growing number in the 1980s were “homeless in paradise.” For example, in Santa Barbara, California, reductions in social service programs prevented thousands of people, many whom were the so-called working poor, from receiving aid. As the number of people below the poverty line increased, those receiving Supplemental Security Income benefits decreased by nearly 15% (Rosenthal, 1994).

Reagan’s cuts in discretionary areas such as the food stamp program and low-income housing also dramatically hurt the poorest Americans. By 1990 the housing assistance program decreased by 73%, the largest cut in any program. The result was a dramatic rise of homelessness in America.

The homeless problem was given a great deal of attention by a somewhat unlikely source—the nation’s stand-up comics. In 1986 Comic Relief was formed when actor and comic writer Bob Zmuda thought he could use comedy to raise money to help the less fortunate. In 1986 Billy Crystal, Whoopi Goldberg, and Robin Williams hosted an HBO special with 47 comics; it received \$2.5 million in donations and has currently reached more than \$50 million. Funneling almost every cent collected to charities, the organization funds homeless shelters, clinics in poor neighborhoods, and recovery treatment centers.

Other relief organizations, like Farm Aid, founded in 1985, sought to raise awareness of the struggles of American family farms. Popular music artists held concerts—the first organized by Willie Nelson, Neil Young, and John Mellencamp—to seek donations for relief efforts supporting family farmers. It has now raised more than \$37 million in direct aid. The organization supports a referral network to help farmers in financial crisis and makes grants to organizations that assist farm families. The need for organizations like Comic Relief and Farm Aid are but two examples of the ways in which Reagan’s policies were not working for millions of Americans.



© Bettmann/Corbis

After months of speculative investing, a partial Wall Street crash created panic as thousands lost money invested in stocks.

International Complications and Triumphs

On the international stage, Reagan focused on increasing the nation's military power. He called the Soviet Union the "evil empire" and made it clear that he intended to apply the same toughness to international relations as he displayed in dismantling the PATCO strike. Outspoken in his opposition to communism, he mobilized the U.S. military and intelligence services to intervene against left-wing movements in Africa, Asia, the Caribbean, Central America, and the Middle East.

When a leftist uprising sought to topple the government in El Salvador in 1981, for example, Reagan argued for intervention to maintain regional stability. The United States sent funds and military advisors to prop up the Salvadoran regime. In 1983 Reagan ordered an invasion of Grenada, an island north of Venezuela, ostensibly to rescue a number of American medical students but also to prevent Communist influence after a bloody military coup toppled the island's government.

Iran-Contra Affair

American intervention in Nicaragua resulted in the greatest scandal of Reagan's presidency. Instability in the region began in 1979 during Carter's presidency. Then a militant political movement, the Sandinista National Liberation Front, overthrew the American-supported government of Anastasio Somoza. Although Reagan supported offering aid to the Nicaraguan opposition, many Democrats opposed intervention. In 1982, in the Boland Amendment to a defense appropriations bill, Congress banned military aid to the Contras, a militant group fighting the Sandinista government in Nicaragua.

Concerns first came to light when, in 1986, a foreign newspaper speculated that the U.S. government was selling weapons to Iranian revolutionaries as part of a bargain to release a number of American hostages held by militant Islamic groups in the Middle East and was funneling the funds from the arms sales to the Contras. The arms-for-hostages deal divided many in the administration, but it is not clear how many were aware of the Nicaraguan connection.

Backed by the Cuban government, Reagan believed the Sandinistas represented a Communist threat in the Western Hemisphere. Reagan went so far as to claim that the Contras were "the moral equivalent of our Founding Fathers" (as cited in Patterson, 2005). A second Boland Amendment passed in 1984 reiterated that neither the CIA nor other military aid be sent to the Contras, but Reagan ignored it. The ensuing scandal, known as the Iran-Contra affair, nearly destroyed the Reagan presidency.

For nearly 2 years CIA director William Casey and National Security Council staffer Lt. Oliver North diverted some of the proceeds from Iranian arms sales to purchase arms and equipment for the Contras. When the scandal came to light, Reagan at first publicly denied that any arms-for-hostages deal had occurred, but he later retracted his statement. A full investigation resulted in a series of televised congressional hearings that revealed that of the \$30 million Iran paid for arms, only \$12 million reached the federal government. The remainder was apparently diverted to aid the Contras.

Eleven members of Reagan's administration eventually pleaded guilty or were convicted of perjury and destroying documents, including North and National Security Advisor John Poindexter. Reagan denied any knowledge of illegal activity and left the presidency in 1989 with high approval ratings. The Contras failed to overthrow the Sandinista government.

Arms Negotiations

During Reagan's presidency, the Soviets began charting a new course for their nation. Rising not from an ethnic Russian background but from the Ukrainian peasantry, the new Soviet general secretary, Mikhail Gorbachev, was different from earlier Soviet leaders. Gorbachev sought to reform his nation's political system and boost its economy; he realized that in order to realize those goals a significant cut in defense spending would be necessary.

Especially in his second term as U.S. president, Reagan changed his hard-line stance toward communism and the Soviet Union and began seeking a new rapprochement, or more open dialogue, with his Soviet counterparts. Some of Reagan's rethinking on the Cold War preceded Gorbachev's ascendancy to power in 1985 and

demonstrated that Reagan was not simply reacting to changes in the Soviet Union but was also a force for a new direction himself (Fischer, 2000). In the latter half of the 1980s, the two world leaders made progress in reducing the numbers of nuclear weapons each nation possessed.

Most significant was the **INF Treaty** (or Intermediate-Range Nuclear Forces Treaty), which included the elimination of short-range nuclear weapons that traveled between 300 and 3,000 miles. These represented only 4% of the total number of missiles in each country's arsenal, but it was the first time that America and the USSR destroyed an entire class of weapons, and it also was a first positive step in ending the arms race.

The two nations also looked for hot-spot areas throughout the world where they might cooperate to find a resolution to problems. For instance, the Soviets worked to convince the Palestine Liberation Organization that Israel had a right to exist. In another important gesture, the Soviets withdrew 115,000 troops from Afghanistan.

The Beginning of the End for the Cold War

While Reagan and Gorbachev resolved some remaining issues of the waning Cold War, others remained tense and divisive. In June 1987 Reagan scheduled a trip to West Germany that many said was an attempt to avoid the glare of the Iran–Contra spotlight at home. He used the occasion to demonstrate American strength by visiting Berlin on its 750th anniversary.

Prior to his arrival, Reagan's chief speechwriter met with John Kornblum, the top U.S. diplomat in West Berlin, who strongly advised Reagan to avoid criticizing the Soviet Union or taking on the persona of a cowboy. Most importantly, Kornblum emphasized that he should not even mention the Berlin Wall, because most West Berliners had, over the decades, become accustomed to the existence of the 60-mile barrier that divided the city.

When his speechwriter returned home and told Reagan what Kornblum said, Reagan was in complete disagreement and declared, "That wall has to come down. That's what I'd like to say to them" (as cited in Schlesinger, 2008, p. 356). Over the next several weeks, the impending speech became a topic of intense debate at the White House, and in June 1987, when Reagan stood at the Brandenburg Gate in shadow of the wall in West Germany, he said the following: "General Secretary Gorbachev, if you seek peace, if you seek prosperity for the Soviet Union and Eastern Europe, if you seek liberalization: Come here to this gate! Mr. Gorbachev, open this gate! Mr. Gorbachev, tear down this wall!" (as cited in Bennett, 2007, p. 614).

Although the phrase "tear down this wall" did not generate an immediate reaction, it became one of the most iconic phrases of the 20th century (Matlock, 2005). Through the hard work of countless men and women who sought freedom from Communist control, the Cold War's hold on Eastern Europe began to unravel. Beginning with Poland in 1989, where voters elected a non-Communist opposition to their government, the movement

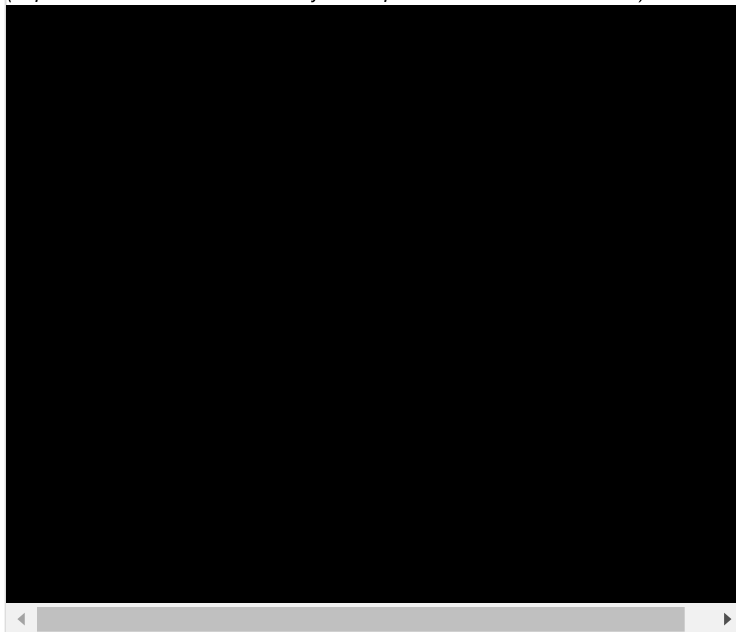
Exploring History through Film: Reagan to Gorbachev: "Tear Down This Wall!"

In 1987, with the Cold War moving into its fifth decade, President Reagan made an impassioned speech at the Brandenburg Gate in Berlin, where he asked the Soviet Premier to tear down the Berlin Wall. A little over two years later, Germans on both sides broke down the wall as the government of East Germany collapsed.

Reagan to Gorbachev: "Tear Down This Wall!"

From Title: *President Reagan's Speech at the Brandenburg G...*

(<https://fod.infobase.com/PortalPlaylists.aspx?wID=100753&xtid=47810>)



Critical Thinking Questions

- Reagan mentions a number of small reforms taking place within the USSR at the time of his speech. In your opinion, what had more influence on the fall of communism, these reforms or Reagan's policies? Explain your answer.

spread to Hungary, Czechoslovakia, Bulgaria, and Romania. A revolutionary wave broke across Central and Eastern Europe as citizens demanded representative government.

In late 1989, just after Reagan had finished his final months as president, the Berlin Wall indeed came down due to the erosion of Soviet political control in Poland and Hungary and an increasing liberalization of East Berlin's government. Joseph E. Stiglitz, winner of the Nobel Prize in Economics, said, "With the Fall of the Berlin Wall in late 1989, one of the most important economic transitions of all time began" (Stiglitz, 2003, p. 133).

Summary and Resources

Chapter Summary

- After the tumultuous 1960s, many Americans supported a conservative shift in politics and social concerns. The transition to conservatism was not immediate, and many liberal-initiated programs gained ground under the Republican leadership of Richard Nixon.
- The voting age was lowered to 18, and an important education act guaranteed women and girls equal access in education, including collegiate sports.
- Reforms to Social Security, food stamps, and the introduction of the Pell Grant program made college accessible for millions of Americans.
- The 1970s and 1980s were not without their political scandals and economic crises. Nixon became the first president to resign following the Watergate scandal, Jimmy Carter struggled to lead the nation through an energy crisis and international unrest resulting from the kidnapping of American citizens in Iran, and Reagan's presidency was nearly destroyed by the Iran–Contra affair .
- Reeling from the events of the 1970s, Americans supported the triumph of conservatism in the election of former actor Ronald Reagan in 1980. Promising to reform the economy and effectively manage the waning Cold War, Reagan initially enjoyed broad support.
- Although his policies may have actually intensified the economic struggle of many Americans, Reagan dominated the decade with his confident public appearance and succeeded in laying the groundwork for the eventual end to the long Cold War.

Critical Thinking Questions

1. Was the rise of the New Right in the 1970s inevitable?
2. In what ways did the energy crisis of the 1970s change the behavior of American consumers?
3. What caused the decline in voter turnout in the 1970s and 1980s?
4. What would America look like today if the Equal Rights Amendment had been ratified?
5. Was Reagan's trickle-down economics ultimately successful? Why or why not?

Additional Resources

Richard M. Nixon's Resignation Letter

[http://docsteach.org/documents/302035/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=53](http://docsteach.org/documents/302035/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=53) ([http://docsteach.org/documents/302035/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=53](http://docsteach.org/documents/302035/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=53))

With just one short sentence, on August 9, 1974, Nixon became the first U.S. president to resign from office.

President Gerald R. Ford Granting a Pardon to Richard M. Nixon

[http://docsteach.org/documents/299996/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=53](http://docsteach.org/documents/299996/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=53) ([http://docsteach.org/documents/299996/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=53](http://docsteach.org/documents/299996/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=53))

President Ford attracted much criticism for his pardon of former president Nixon.

President Jimmy Carter's Annotated Statement on the Failed Rescue Mission Regarding the Hostages in Iran

[http://docsteach.org/documents/593298/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=52](http://docsteach.org/documents/593298/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=52) ([http://docsteach.org/documents/593298/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=52](http://docsteach.org/documents/593298/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=52))

The brief notations on President Carter's talking points reveal the stress of the effort to release American hostages held in Iran for 444 days in 1979 to 1980.

Release of the Iranian Hostages

[http://docsteach.org/documents/593939/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=51](http://docsteach.org/documents/593939/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=51) ([http://docsteach.org/documents/593939/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=51](http://docsteach.org/documents/593939/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=51))

This document offers the details of the final release of the American hostages held in Iran.

Letter from Ronald Reagan to Mikhail Gorbachev

[http://docsteach.org/documents/198162/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=52](http://docsteach.org/documents/198162/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=52) ([http://docsteach.org/documents/198162/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=52](http://docsteach.org/documents/198162/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=52))

President Reagan fostered a working relationship with the Soviet leader that helped bring an end to the Cold War.

Letter from Ronald Reagan Regarding the Space Shuttle *Challenger* Accident

[http://docsteach.org/documents/198440/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=51](http://docsteach.org/documents/198440/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=51) ([http://docsteach.org/documents/198440/detail?mode=browse&menu=closed&type\[\]=written-document&sortBy=era&page=51](http://docsteach.org/documents/198440/detail?mode=browse&menu=closed&type[]=written-document&sortBy=era&page=51))

The world was shocked when the American Space Shuttle *Challenger* exploded just 73 seconds into flight on January 28, 1986.

Key Terms

affirmative action

An initiative to increase the hiring or participation of minorities and prevent discrimination based on race, religion, national origin, or gender.

Anti-Ballistic Missile Treaty

The 1972 treaty between the United States and the Soviet Union to limit antiballistic missiles and missile launchers.

Black Monday

The October 1987 stock market crash marking the volatile economic climate of the 1980s.

détente

During Nixon's presidency, this term referred to a lessening of tensions between the United States and the Soviet Union.

Environmental Protection Agency

The federal agency created in 1970 to combine research, monitoring, and enforcement of environmental standards.

Equal Rights Amendment (ERA)

A proposed constitutional amendment guaranteeing equal rights for women.

Federal Election Campaign Act

This 1974 law created the Federal Election Commission and established public financing of presidential campaigns.

INF Treaty

The Intermediate-Range Nuclear Forces Treaty between the United States and the Soviet Union that aimed to eliminate short-range nuclear weapons.

monetarism

An economic theory holding that controlling the circulating money supply will influence prices and economic output.

Moral Majority

A political organization formed in 1979 to mobilize Christians behind conservative political candidates.

New Federalism

Richard Nixon's domestic plan that included welfare reform and providing federal block grants to states to spend according to local needs.

Pentagon Papers

The classified Department of Defense report on involvement in Vietnam between 1945 and 1976. When leaked to the press, it revealed that several U.S. presidents had misled the American public about involvement in the conflict and the region.

political action committees

Political fund-raising and lobbying organizations that raise private funds to influence elections or legislation.

Reaganomics

Reagan's economic agenda that included reducing taxes on the wealthy so that their increased spending would trickle down to improve the overall economy.

Religious Right

A right-wing Christian political faction characterized by strong support for socially conservative policies.

Roe v. Wade

The landmark 1973 Supreme Court ruling legalizing a woman's right to choose abortion.

stagflation

An economic term referring to a period of slow economic growth combined with high inflation and high unemployment.

Title IX

Part of the Education Amendment of 1972, this law banned gender discrimination in educational programs receiving federal funding.

26th Amendment

Ratified in July 1971, this constitutional amendment lowered the voting age to 18 from 21.

Vietnamization

Richard Nixon's policy to reduce U.S. involvement in the Vietnam War by training and supporting South Vietnamese forces to become the main combat force.

War Powers Act

A 1973 act that requires the president of the United States to seek the approval of Congress before committing troops to a foreign conflict.